

GOVERNMENT OF ANDHRA PRADESH  
A B S T R A C T

Vaddi Leni Runalu Scheme – Waiver of interest on crop loans From Kharif 2012-13 (Front end basis) in the State of Andhra Pradesh – Guidelines for payment of interest subsidy to Farmers – Orders – Issued

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AGRICULTURE & CO-OPERATION (FP.II) DEPARTMENT

G.O.Rt.No. 639

Dt. 27.04.2013

Read the following:-

From The Commissioner and Director of Agriculture, Hyderabad.  
Lr.No.Credit/195/2013, dt.25.4.2013.

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O R D E R :

In the reference read above, The Commissioner & Director, Agriculture, Hyderabad submitted proposal for issuance of guidelines to be followed for payment of interest subsidy to the farmers under Vaddi Leni Runalu in the crop loans disbursed in Kharif 2012-13 (Front end basis).

2 After careful examination of the proposal, Government hereby issue guidelines as per annexure enclosed to this order to be followed for payment of interest subsidy to the farmers under Vaddileni Runalu in the crop loans disbursed in Kharif 2012-13.

3 This order issues with the concurrence of Finance Department vide their U.O.Note.No.1926/15/A2/BG.II/13, dt.26.4.2013.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

ANIL CHANDRA PUNETHA  
PRINCIPAL SECRETARY TO GOVERNMENT

To  
The Commissioner & Director, Agriculture, Hyderabad  
The Convenor, State Level Bankers Committee, Saifabad, Hyderabad.  
Copy to:  
The Finance (EAC) / BG.II Dept.  
The PS to Addl.Secy to CM  
The OSD to Minister(Agri& ATM)  
PS to Prl.Secy (Agri)

//forwarded :: by order//

Section Officer

**Annexure to G.O.Rt.No.639 ,dt. 27,4,2013**

**Guidelines for the payment of interest subsidy claims for crop loans disbursed  
from Kharif 2012-13 (front end basis)**

- Each Bank may designate one of their Branches at Hyderabad as Nodal Branch. The RRBs may designate one of the branches at their Head Quarters as Nodal branch, while DCCBs will authorize APCOB to submit the claim.
- Upon payment of total Principal amount on or before due date, the interest @ 4% (or) 1% on Crop Loan to be debited to their Sundry Debtors Account either at the Branch Level (or) at the Nodal Branch identified for this purpose, which is to be decided by the individual Banks.
- The claims are to be submitted to the Office of Commissioner of Agriculture through e-mail (exclusively created for the purpose) by the Nodal Branches of the banks. Nodal branch has to claim the amount of interest subsidy on the same day or before 12.00 noon next day along with the following information as required for RTGS/NEFT transaction.

**From Branches to Nodal Branch:**

Bank Name	Branch Name	Branch Code	No. of A/cs.		Amount		Total Amount of Interest claimed in Rs.
			4% Int.	1% Int.	4% Int.	1% Int.	

**From Nodal Branch to Office of Commissioner of Agriculture**

Bank Name	Nodal Branch Name	Nodal Branch Code	Nodal Branch IFSC code	Nodal Branch A/c. Number	No. of A/cs.		Amount		Total Amount	Interest @ base rate for _____ days	Total amount claimed in Rs.
					4%	1%	4%	1%			

- While claiming the amount from PD Account of SBH, it was suggested to adopt T +1 Model for settlement and the Nodal branch will claim the amount by loading interest for one day on the amount of interest claim. It was proposed to load interest at BASE RATE.

The interest for one day (T+1) in the normal course and for extra days in respect of accounts closed on Saturday and other days preceding holidays is proposed for the following reasons:

- a) As per the accounting procedure being followed by the Banks interest is calculated upto the previous day of repayment.
- b) Branches accept the Transactions up to 4.00 P.M. and in many days the transactions will extend beyond 4.00 P.M. as the office hours are up to 5.00/5.30 P.M.
- c) Only after repayment of all the accounts the branches can send the details to the Nodal branch. Hence receiving money from the government on the same day may not be possible.
- d) When many branches are uploading the data to one Nodal branch, lot of time lag will be there and all uploading will be cleared only during the day end process.
- e) The proposed interest to be calculated at the base rate for one day (or) more is only on the Interest portion and not on the total loan amount.

**For example:** If a loan of Rs.1.00 lakh is given and full payment is made after six months, farmer will be repaying to the Bank only Rs.1.00 lakh and other charges. The interest amount of Rs.3,500/-(approximately) for six months is to be claimed by the Banks from Central and State Governments. The State Government share will be Rs.2000/-. (Being 4% for prompt payment)

Loan amount.. Rs.1.00 lakh

Interest for 6 months.. Rs.3, 500/-

**Claim from the State Government:**

Interest portion Rs.2000/-

Interest for one day on Rs.2000/- i.e., 0.60 paise (@10.5% Base rate)

Total claim from Government = Rs.2000.60 paise

- On receipt of the claim from Nodal branch, the office of the Commissioner of Agriculture will consolidate and authorize the Treasury branch of SBH to debit their PD account and transfer the funds to the respective Nodal Branches by way of NEFT/RTGS. This transaction has to be completed by 2.00 pm of next day in respect all the claims received by it on previous day and claims received up to 12.00 noon on the current day are to be cleared by 3.00 pm on the same day.

The Office of the Commissioner of Agriculture will give a dedicated email id address for these transactions by 25.04.2013. However in course of time the communication is through FTP mode.

- On receipt of the amount from SBH, Treasury Branch, nodal branches will send amounts to respective branches/ adjust at their end, if the debit to sundry debtors is at their end.
- One Template is to be submitted by the branches on daily basis to the Nodal branch. The format should contain the details of village; Mandal, SC/ST/Women as GoAP need these details for release of amount. The Nodal branch will submit this information to the Office of Commissioner of Agriculture. **To put in place this system, banks will be given a time of two months,** Till such time, banks will claim amount by sending the format given above.

From 1<sup>st</sup> July, 2013 onwards the suggested daily format has to be put in place by all Banks without any exception.

- Apart from the daily information being submitted to Nodal branch; the branches need to submit one Quarterly statement as suggested in G.O. No.270, dt.22.11.2011 and G.O. No.559, dt.03.04.2013. At the yearend i.e., at the end of March every year, the entire yearly position is to be audited and audited statement is to be submitted to their Controlling office at State Level.

The State Level controlling office will submit the consolidated position of the state to the office of Commissioner of Agriculture.

The Quarterly statement also should contain the details of SC/ST/Women.

- With regard to FSCSs sponsored by bank, the claims are to be routed through their financing branch and the same system need to be followed. The crop loan accounts of FSCSs are to be reflected separately by the concerned branch without mixing up them with their crop loan accounts.
- In respect of PACS, the claims are to be routed through concerned DCCBs and a time limit of one week may be allowed for receipt of the amount by PACS. APCOB has requested that in these cases interest may be paid at base rate (of SBH) for 7 days by GoAP.

**Interest for 7 days is suggested in view of the following reasons:**

- a) The PACSs is the base level organization where computerization is yet to takes place and the transactions has to be moved to the respective DCCBs through physical mode only.
- b) On receipt of claim at DCCB Branch, they have to consolidate the claims pertaining to their PACSs and to submit to their Head Office.
- c) The HO of DCCB has to submit claim to the APCOB and from there the Office of the Commissioner of Agriculture will receive the claim.

Since the transactions move through four tier structure and it is not computerized at all levels, it is envisaged that a minimum time of 7 days is required for submission of claim and subsequent transfer of funds to PACS level.

- The suggested formats of daily and Quarterly to be submitted by Banks are enclosed.
- It may be noted that the reimbursement of interest to the farmers by GoAP is applicable for the period from the date of availing loan (first Debit in the A/c) by the farmer to the date of repayment on or before due date fixed by bank subject to maximum period of one year.

- The branches are expected to maintain complete details of interest claim category wise (i.e., SC/ST/Women) and Banks need to allow the Auditors/Officials of Agriculture Department of GoAP for test verification.
- The suggested procedure is to be approved by the individual banks and banks may take steps for putting in place the system in a maximum period of one week (i.e., by 30.04.2013)
- In respect of already closed accounts pertaining to Khariff 2012 season all Banks may advise their branches to submit the claim immediately to the Nodal branch by using the following format.

**From Branches to Nodal Branch:**

Bank Name	Branch Name	Branch Code	No. of A/cs.		Amount		Total Amount of Claim in Rs.
			4%	1%	4%	1%	

As the farmers have already paid the amounts and as this is on reimbursement basis no interest is to be claimed by the Nodal branch while submitting the claim. This should be a onetime claim for all closed accounts of Khariff 2012 and branches should not club this claim with the subsequent claims in the new system.

- In course of implementation certain issues may crop up and the system will be reviewed after three months of implementation. In the meanwhile, Banks may refer the issues, if any to SLBC.

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[illegible]

### **FORMAT of MIS report to be submitted by Bank Branches on Daily basis**

[illegible]

1. This is to certify that there are no duplication of claims and ineligible claims are not included
2. The amount to be claimed from Govt. of India's Interest Subvention Scheme is excluded from the above claim

## Branch Manager

Quarterly statement to be submitted by Banks (This format is to be prepared separately for SC/ST/Women and Others) for the quarter ending \_\_\_\_\_ 2013  
Season: Khariff/Rabi, 2012-13

Name of the Bank:

S No	Category	Total Crop loans eligible for subsidy (Rs Lakhs)			Total Crop loans which were repaid in time from (Rs in lakhs)			Amount of interest to be reimbursed (Rs )
		No of Accounts	Amount eligible for 100% interest subsidy	Amount eligible for Pavala Vaddi	No. of Accounts	Amount eligible for 100% interest subsidy	Amount eligible for Pavala Vaddi	
1	2	3	4	5	6	7	8	9
1	Loans up to Rs 1.00 lakh			Not applicable			Not applicable	
2	Loans from Rs 1.00 lakh to Rs 3.00 lakh							
	Total							

We certify that the above loans for which the claim is being made were repaid in time and the interest claimed excludes the eligible incentive subvention of Government of India

Dated:

Signature of Branch Manager along with Seal

(This claim format needs to be duly certified by Statutory Auditors once in a year at the end of March)